

**Higher Education Task Force announcement  
11 a.m.  
October 21, 2008  
State Reception Room  
Gov. Steve Beshear**

The economic viability of this state, and thus the quality of life for those who live here, is unequivocally linked to the education level of our citizens.

Yet for too many Kentuckians the door of opportunity is closed, or beyond reach.

That is unacceptable.

No person in this state with the drive and ability to succeed should be denied access to a college education because he or she can't afford it.

That belief presents one of the top priorities of this administration, and in a few minutes I will explain how we will begin addressing that priority.

But first I want to emphasize that Kentucky cannot and will not succeed in a 21<sup>st</sup> century economy without a highly skilled and highly educated workforce.

Every study demonstrates that fact. States with high numbers of college-educated citizens have higher per capita incomes, lower incidences of chronic disease and a better quality of life.

An adult with a college degree will earn hundreds of thousands of dollars more over his or her lifetime than someone without a degree.

We have the system and the institutions in place to reach our ambitious goals.

Our colleges and universities— independent and public, graduate, four-year and community and technical schools – are equipping thousands of young Kentuckians to compete and succeed.

In the wake of the 1997 reforms of higher education, more children are attending college than ever before. More are graduating. And more are entering our workforce, ready and able to compete for jobs.

But we are not moving quickly enough, and other states – with the same lofty goals and ambitions – are not standing still.

We must act decisively and strategically if we are to meet our goal of being at the national average of college degree recipients by 2020.

This administration, despite some of the most challenging financial times in memory, has demonstrated its commitment to higher education in a variety of ways.

We worked in innovative fashion to secure a \$50 million bridge loan so that students could receive college aid this fall ...we intervened to ensure that the CPE president has the qualifications necessary to lead our system of public higher education ... And I placed the council president as a direct report to me, further underscoring the importance of higher education.

Today, we are taking another important step.

I am appointing a 25-member work group – the College Access Work Group – which is composed of some of Kentucky’s top leaders in business, education and government.

This bi-partisan work group will be co-chaired by Mira Ball of Lexington and Pete Mahurin of Bowling Green, and its membership will be diverse.

I will be asking legislative leaders on both sides of the aisle and in both houses to recommend members for this group.

It’s particularly important that the business community be actively engaged in a leadership role in this process. In earlier educational reform efforts – at both the secondary and higher education levels – Kentucky’s business community led the way. It articulated the need and, in many respects, helped make reforms a reality.

It is critical that business leaders play such a role again.

I have also asked the presidents of our public universities, community and technical colleges and three of our independent institutions to serve on a Presidents’ Advisory Committee.

This committee will help advise and provide staff resources to the appointed work group.

The result will be two reports containing specific and feasible recommendations, one due by January 15 and one by September 1.

Recommendations in the January 15 report will, within current budget restraints, help:

- Control all costs associated with college, from tuition to textbooks.
- Ensure that financial aid – whether through grants, loans or scholarships – is both accessible and user-friendly.

- Make it easier to transfer from a community or technical college to a four-year college or university.
- Reorganize state government where necessary and feasible to eliminate efficiencies in promoting higher education affordability.

I expect these recommendations to be bold but also practical and realistic.

The upcoming session is not a budgetary session. Any recommendations for short-term action must recognize the budget reality that faces us.

Yes, the progress we've made has been remarkable in many respects.

But the challenges ahead remain daunting:

- The number of bachelor's degrees awarded has increased 28 percent between 1998 and 2007. But only 17.1 percent of Kentuckians 25 and older have at least a bachelor's degree, compared to the national average of 24.4 percent. The projected national average in 2020 is 32 percent.
- On average, residential tuition has increased 10 percent a year over the last 10 years, compared to 7 percent per year in the 16 states governed by the Southern Regional Education Board.
- In 2006-2007, nearly 4,500 students transferred from KCTCS to four-year colleges or universities in Kentucky. That's an increase from previous years, but to meet our 2020 goals we need more than 11,000 transfers by that time.
- In 1997-98, students paid 33 percent of their education through tuition. In 2007-2008, they were paying 49 percent, as the state share had slipped from 67 percent to 51 percent.

According to a 2005 college cost study commissioned by CPE and follow-up analysis completed over the past year, postsecondary education in Kentucky is relatively affordable.

But rising tuition, declining state appropriations, increasing student debt levels and stagnant wage growth is eroding college access, particularly for lower income students, part-time learners and working adults.

That is why I also have asked the task force to develop long-term recommendations by September 1 that look at the broader issues of affordability, funding and accountability.

These recommendations should move Kentucky closer to the goal of ensuring access to higher education to all capable students.

But to do that will require a frank discussion of the funding needed for our colleges and universities to meet the ambitious 2020 goals that are the heart of higher education reform.

We must chart a strategic and realistic path for our institutions by determining appropriate levels of state support over the long haul while better articulating what we expect from them in terms of performance.

Yes, we must enroll and graduate more young Kentuckians. But we also have a responsibility to foster and create an entrepreneurial economy based on ground-breaking research and universities engaged in service regionally and throughout the Commonwealth.

In the past our university and college leaders have found it difficult to plan because of the sporadic nature of state funding. Year to year we have not been consistent in delivering the support needed.

In fact, most of the presidents of our public universities have experienced budget reductions in half of their years in office.

A new roadmap must realistically consider the difficult budget circumstances we are in, but it must also create consistency, coherence and stability in funding. This will require frank and lively discussions of the proper share between the state and the student and of expectations for all involved – including the schools themselves.

Funding and accountability are intertwined. Our investments must produce results.

The work done on our state's individual campuses is of the utmost importance. But that work must be understood as part of a larger vision, a larger set of goals.

If we keep our mind on the goal, consensus can be reached. Then we can go together to the General Assembly, to the business community, to students and to the people of the Commonwealth of Kentucky to generate buy-in.

Reaching these goals will help determine whether Kentucky children thrive in the 21<sup>st</sup> century or continue to fall behind their peers in other states and other countries.

When I was growing up, all you usually needed was a high school diploma to secure a good job, buy a home and raise your children in prosperity.

But those good-paying factory jobs are disappearing, while the high-tech jobs of the information age, jobs that necessitate a higher education, are growing.

Yet today, for every 20 children who enter the ninth grade in Kentucky schools, only 3 graduate from college.

There are many explanations for this alarming statistic, but one reason dominates.

Cost.

Too many Kentucky students can't afford to start college, and too many others can't afford to finish it.

We need, right now, to address this situation.

Some might argue that today is not the time to begin such an exercise.

As governor, I inherited a \$435 million shortfall in funding. Over the next two years, we will have \$900 million less in revenues to spend.

Within the last few weeks alone, our economy on the national level has grown even more uncertain.

But this economic crisis only adds urgency to our higher education mission.

We cannot afford to be timid. We cannot afford to be tentative. We must be aggressive, strategic and determined.

And we need high expectations.

We can't be content with baby steps when other places are taking giant strides – not when we're trying to compete with these states in the global marketplace.

Rather, we must pursue new solutions to old challenges. This administration already has a track record of doing just that: ...reaching across the aisle to pass pension reform ... adopting tough ethics rules ... expanding health care to children and families in need ... working to create a "Culture of Integrity" in the Transportation Cabinet and throughout state government so we can restore people's faith in their government and save hundreds of millions of dollars of taxpayer money.

We need dramatic and focused strategies that lead to transformational and enduring change. Today – in the critical area of building tomorrow's Kentucky workforce -- we begin our important work.

Thank you. I would like to ask Mira and Pete to come forward and say a few words and then I will be happy to take your questions.

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